

## TECH START-UP INTERNATIONALIZATION PROCESS

Required and available resources for (tech) start-up internationalization

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### **Objectives**

The main objectives of this study were to find information relating to start-up internationalization process and qualities required from start-up founders in order to achieve this.

### **Summary**

The research on this thesis was conducted using a qualitative survey, where start-up entrepreneurs and people associated with start-up founders were asked to define qualities related to start-up entrepreneurs and rank them in order to find out which are the most common ones among start-up founders. Based on previous studies conducted, it was hypothesized that start-up founders would share some common qualities that they all agreed on to be the most efficient ones in order to make their start-ups grow.

### **Conclusions**

In conclusion this study found that start-ups and start-up founder do indeed have qualities that are more sought after and regarded as better than others. People believe that the most important quality in a start-up entrepreneur is that they believe in what they are doing. However, most of the surveyed people still agreed that most start-ups still end up failing. While this is not any sort of breaking news for certain, it helps to clarify start-ups and start-up founder mindset and therefore aids in future research.

**Key words: Entrepreneurship, Internationalization, Small and Medium-Sized Enterprises (SMEs), Start-up, Start-up Founder, Start-Up Lifecycle**

**Language:** English

**Grade:**

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# 1. Introduction

## 1.1. Background

Start-ups have been on the lips of many investors and entrepreneurs in the recent decade since the skyrocketing of Rovio, Instagram, WhatsApp, Snapchat and many others. With the international success of these companies, many investors are trying to get ahead of the game in order to find the next “unicorn” company that will make them millions. Are there some sort of best practises available for aspiring start-up founders in order for them to ensure their success? Are there some resources available that are more useful than others when one seeks to internationalize their business? These are the questions this study seeks to answer.

While the internet is full of different articles and journals of start-ups, more research on the matter is always welcome in this ever-interesting topic. This study focuses on the perspective of start-up internationalization process as well as the optimal and best qualities of start-up founders. More specifically, this study focuses on start-ups based in Finland, first defining what start-ups actually are and what does it actually mean to internationalize a start-up. After this, this study has a literature review which analyses the relevant literature thoroughly and ends in a conceptual framework that analyses start-up resources in different points of the company lifecycle. Also, a survey was conducted as part of this study in order to gather more information of best perceived practises relating to founding a start-up and start-up founders. Results of the survey will be analysed in the conclusion section of this study. In this section, limitations to current study are discussed as well as implications for international business. Lastly, this study will discuss the possible suggestions for future research. Concluding this study, there are references as well as appendixes.

## 1.2. Research Problem

This study aims to find the best practises in both, start-ups founders and start-up companies as they are looking to internationalize their business. Is there a way to learn some of these qualities as an aspiring new start-up founder? In order to ensure your company will succeed, you need to know what the best practises are available in start-ups and in your field of business. The way this study aims to do just that is by analysing available literature and also conducting a study that analysed the opinions of start-up entrepreneurs and of the people working closely with start-ups by collecting data from their personal experiences working closely with start-ups. The focus of this study will be on answering the following questions:

- What are the available resources for start-ups looking to internationalize?
- Are there some qualities that are required from start-up entrepreneurs to successfully internationalize their companies?
- How do the needed resources differ based on the phase of internationalization process?

## 1.3. Research Objectives and Structure of Thesis

To be able to answer the posed research questions, this study will conduct of the following steps:

- Defining key terms relating to start-up internationalization

- Reviewing the literature on start-up growth & internationalization as well as start-up founder qualities in order to gain an understanding of key definitions and characteristics.
- Collecting data through qualitative research by online survey.
- Reporting, analysing and interpreting the collected data.
- Reporting findings and making conclusions from them.
- Discussing limitations as well as potential future research and implications.

## 1.4. Definitions

### 1.4.1. Defining Start-Ups

The following definition is based on EU Start-up monitor report (2018). Start-ups are considered a type of small-medium enterprises (SME's). While the term start-up has no official definition, it commonly consists of three criteria: First, their age is younger than ten years or in the case of some sectors five years. Secondly, they are considered innovative in their product, service or business model. Lastly, they aim to grow their number of employees and/or number of markets operated in. Additionally, start-ups are often considered to be over the start-up phase when they are acquired by a larger company, have more than one office, have a board consisting more than five people and employs overall more than 80 people or the founders have personally sold their shares.



#### 1.4.2. Defining Internationalization

As described in Cambridge Business English Dictionary (2015), internationalization refers to the process of when a company expanding their business to other countries from their country of origin. This process can be done throughout many different ways but with start-ups the most common ways seem to be acquisition, mergers and strategic alliances as seen in the conceptual framework part of the literature of this study.

## 2. Literature Review

### 2.1. Introduction

The purpose of this literature review is to better understand the process in which start-ups internationalize their businesses, the available resources in said process, desired qualities to aid in this and overall to better understand start-up growth process. Reviewing the literature available in these topics will provide an understanding on how start-ups should proceed if they aim to internationalize their business, while also explaining key terms related to start-ups or small and medium-sized enterprises (SME's) thus being a helpful source of information to those interested in the matter.

The sections of this literature review are arranged according to themes, starting with the basic definition of start-ups themselves. In the second section the focus is on available resources for start-ups, covering both the internal and external ones, followed by a section on required qualities from entrepreneurs that seek to internationalize their start-ups. This section also defines the difference between entrepreneurs and start-up founders while also explaining internationalization itself as a term. The fourth section combines the previous sections into different parts of internationalization process and looks further into the process in detail. Conceptual framework will follow after this, explaining the model of start-up internationalization while taking into account all the factors mentioned in previous chapters. The literature review will end with a conclusion section.

### 2.2. Start-up Definition

One of the key factors when discussing start-ups is to be able to define them. In EU Start-up monitor report (2018), it is stated that:” ...all start-ups are Small Medium

Enterprises (SMEs), but not all SMEs are start-ups— due to their differences in set-up and vision.” While this is not yet an exact definition of a start-up it helps to differentiate start-ups from different companies. Since the data in the report is founded by European Commission program of European Union it is highly reliable and trustworthy while remaining objective, therefore being an excellent fit for the purpose of this thesis. The article also has a section covering a typical start-up characteristic and a profile of a European start-up company, being one of the best sources of objective information available for this subject due to its background of European Commission program. McMahon (1998). describes start-ups in *Stage Models of SME Growth Reconsidered*, as being highly centralized organisation wise, while still being quite informal.

A recent Forbes article by Robehmed (2020) is in line with the previous definition, describing start-ups and start-up founders as “If you are generating revenues below \$20 million, have less than 80 employees, and remain resolutely in control of the company you started, you're likely running a start-up. Likewise, if you've just set up a tiny for-profit enterprise and are intent on it becoming big enough to take over the world – even if you're still working from your bedroom – you're probably a start-up founder.” However, being written in a more journalistic than academic language, the article is not from the most scholarly of sources. However, Robehmed quotes many successful entrepreneurs and start-up founders to obtain a high level of credibility to her article thus being a justifiably important source of information while maybe not the most objective one.

### 2.3. Available Resources for Start-Ups Looking to Internationalize Their Business

This topic is divided into two sections: internal resources and external. Internal resources refer to resources available within the company itself and to the qualities of the start-up founder themselves. External resources address the possible aids

available outside the start-up itself such as angel investors, government aids, start-up hatcheries and other Start-up Support Organizations. This chapter is meant to be more of general information on start-up qualities and works as a foundation for the following chapters of to come.

### 2.3.1. Internal Resources

As described by Salamzadeh (2015) start-ups normally start with one founder and/or some cofounders. As time goes by, founder needs more experts to develop the company and their product(s). Then, he/she has to negotiate with people, make team and finally hire employees. This process is so critical to succeed and if the founder lacks enough knowledge of the field, the start-up might fail due to human resource management issues.

From the article by Sommer (2010) it can be interpreted that it is currently suggested that when concerning the role of founders in SME's in terms of their companies' internationalization, their attitudes have a major impact. However, it is also stated in the article that "little is known on how exactly they lead to international entrepreneurial behaviour". Information focusing on internal resources regarding start-up internationalization is relatively scarcely available since articles tend to often not limited their data on start-ups. However, external resources are covered more thoroughly in multiple articles and studies.

### 2.3.2. External Resources

Talebi (2017) discuss of the determinants of a firm export behaviour while also going through external and internal factors: "the external environment level (macro-economic, social, physical, cultural, and political aspects, as well as industry

characteristics), and the firm level (the potential effect of the structural and behavioural aspects on exporting)”

There are also some external support mechanisms playing a moderate role in the lifecycle of start-ups. These mechanisms, described by Salamzadeh (2015) include i.e. angel investors, hatcheries, incubators, science and technology parks, and accelerators. Lack of access to such support mechanisms increases the risk of failure. A common name for all of these external concepts supporting start-up growth is Start-up Support Organization (SSO), as recounted by Schröder (2020)

Also, a notable point made by Sarmento (2016) is that for some time now, networking has been recognized as an important element in internationalization process of SME's. An interesting, a bit contradicting point-of-view made by Thomas (2007) in is that founder entrepreneurs like to make the so called 'key decisions' themselves, and there appeared to be some instinctive reluctance to being limited by a board or being liable to third parties. Therefore, it can be also said that founders like to be responsible when making decisions about their companies' growth and internationalization processes.

## 2.4. Qualities That Are Required from Start-Up Founders to Successfully Internationalize Their Companies

This chapter will focus on the start-up founders' point-of-view of the internationalization process. First of all, there is a need to distinguish the difference between a start-up founder and an entrepreneur to avoid possible misconceptions that might arise. The main chapter is divided into two main sections: the tangible and intangible factors. Tangible section refers to measurable and tangible qualities of entrepreneurs and the company itself, such as company size, wealth and such. Intangible qualities refer to characteristics of people, company policies and such.

The chapter sets a basis for the final chapter which focuses on different phases of internationalization.

#### 2.4.1. Definitions

A recent article published by Japjot (2020), covers the differences between entrepreneurs and start-up founders while also debating if one of them is superior to the other. He argues that entrepreneurs are more focused on the current profits while start-up founders aren't that worried about selling process at first since they believe in earning larger profits in the future. Start-ups seek investors and are more interested in getting their business known than selling product, this way a start-up can become successful without even selling a single product. However, this is also the 'weaknesses' of start-ups, since if they fail to make these vital contacts, they most likely will go out of business already before their business has properly started. Start-up founders also risk their personal funds and reputation while entrepreneurs are not usually so personally interested.

Concept of internationalization is also something that needs to be explained. Pham (2016) refers to McDougall's (1989) as it was the first to mention the development of start-ups that, from their founding, engage in international business, thus viewing their operating domain as international from the initial stages of the firm's operation. These businesses can also be referred to as born global firms. Additionally, many internationalization theories are originally from the time of industrial organization and economics. Assumptions that: people are rational, have full knowledge of markets, firms focus on profit maximizing and markets are balanced, were afterwards strongly criticized, as referred to by Tykesson (2020). Also, Talebi (2017), references to Welch and Luostarinen, (1988) and Beamish (1990) when describing the term internationalization as being "ambiguous and its definitions vary in the scope of phenomena they include". Furthermore, they reference to Calof and Beamish's (1995) example definition of internationalization as a "process of adapting firms' operations (strategy, structure, resource, etc) to

international environment.” These mentioned operations go a bit beyond the intangible side and onto the tangible side of qualities that are required to internationalize, which are covered more in the following chapter.

#### 2.4.2. Tangible Qualities

As far as tangible qualities go, there is not that much existing work that relates to just start-ups. Many a research exist that study entrepreneurs and SME's in this topic so those are the ones that will be more referenced to in this paper. These qualities are such as mentioned in a research conducted to identify the effective factors on the internationalization of SMEs, Talebi (2017), found that changes in mediating variables (including resources, organization, strategy, and environment) influence the internationalization process. Furthermore, In the research paper by Wiklund (n.d.) they state that existing research has emphasized that small businesses operate as a part of complex network of other economic actors and are dependent on the existence of these other entities. However, this does raise more difficulties when trying to define the organizational boundaries of these said small companies. Many of these mentioned qualities can be identified more as tangible qualities since they are easily measurable, but some, such as the network of economic actors, can be interpreted in different situations as both tangible and intangible.

#### 2.4.3. Intangible Qualities

For the intangible qualities a successful entrepreneur requires, Bray discusses a list of five key ones in order to be a successful entrepreneur. While not being precisely focused on just start-up founders, the listing itself can be used a good foundation when gathering more information on the topic, and also when comparing the differences between start-up entrepreneurs and other types of businesses. The article provides a good insight on the topic in question by Bray. The qualities

mentioned in it are: High energy, desire to learn, competitive drive, enthusiasm and selective memory. These qualities are relatively general regarding to people just wanting to go far in their careers but nonetheless still important in order to do so.

In article by Schmitz (2018) she goes into detail of 11 traits that start-up founders need to possess in order to be successful. The traits listed and covered in small detail in the article are: Fearless, Visionary, Instinctual, Analytical, Confident, Empathetic, Passionate, Adaptable, Resilient, Focused and Persistent. These seems to be in line with those mentioned before in the article by Bray therefore confirming that those mentioned are also applicable for start-ups.

## 2.5. How Do the Needed Resources Differ Based on The Phase of Internationalization Process?

First defining the phases start-up growth from different points-of-view and then those of internationalization, lastly focusing on the different resources available in different points.

### 2.5.1. Phases of Start-up Growth

The different phases or stages of start-up growth commonly follow a similar path described by Loikkanen (2020). In the article it is described that developing start-ups have six growth stages: start-up idea, start-up formation, a start-up is born, operational start-up, growing start-up & finally established start-up. This model emphasizes on the growth side of start-ups while also leaning towards a financial point-of-view of growth. However, the article is quite presentation like, therefore not being the most optimal one as a source. Nonetheless, it can still be used a base of information, containing many insightful quotes and information highly relevant to start-up growth process.



Another way to look into start-up stages is just based on its financial situation. An article by Novoa (2020) discusses the different factors of start-up growth while taking a financial point-of-view on the topic. This way to determine different stages of start-up growth is based heavily on just the financial level the start-up have at their disposal. This also gives some point of reference towards to what resources start-ups have at their disposal in different points of their growth and internationalize process.

In the article written by Nasser (2017), the author discusses the four rules about start-up growth, these being: Start-ups go through a typical life cycle as they grow, people is the hardest thing to grow up, growth is made of the process, not hacks and the way you show your growth matters. Especially useful for examining growth is the presented lifecycle model for start-ups, marking the phases of expansion and ending on international expansion therefore being also a useful basis for the next chapter: Phases of Internationalization. Nasser discusses this further in another article (2017). The article is academically not just highly interesting but also useful since it gathers and combines four prior studies on start-up growth into one unified model that sums up the other illustrations into a more simplified but also more universally understandable model. The model is similar to the one of basic life-cycle model of a company but focuses on start-ups. In different growth phases it explains the current point of interest and each 'milestone' is a point where the growth starts to accelerate further.

### 2.5.2. Phases of Internationalization

Bailetti discusses the early steps that start-ups need to get right in order to successfully manage to internationalize their businesses. While focusing mainly just on technology start-ups, the six steps -model can be utilized for other fields of business, at least in principle. In the article Bailetti emphasizes that these steps are meant for start-ups to: "...globalize early and rapidly", therefore focusing only for fast

internationalization process. This information is somewhat contradicting the one presented by Koch (2017) in her degree project, where it is stated that even though there is a lot of interest in global tech start-up companies, there doesn't appear to be unified model that visualizes the process of their internationalization. However, Koch goes into great detail into explaining different models and theories of internationalization, such as Porters diamond model and Uppsala model, being a valuable, though early a bit contradicting, help towards understanding what the possible ways are to internationalize a company. However, the Uppsala-model has been widely criticized on both theoretical and operational levels, says Mitgwe (2006) as referenced by Mehto and Isopahkala (2014). They go further into arguing that multiple researchers have questioned the Uppsala-model's capability to explain the internationalization process of companies. This means that further research on the matter of possible variables is necessary in order to more thoroughly understand internationalization processes of companies.

A good thing to note is that some firms are referred to as "born global firms" (BGF's). While the name gives the image of a firm being global straight away, this is not the case but BGF's also differ in their internationalization speed. Tanev (2012) describes the BGE's as ventures that are launched to exploit a certain global niche starting from the first day of its operations. Neubert (2016) refers to BGE's by stating that individual skills of the entrepreneur and the management team, their business networks and business models, chosen mode to enter a market, implementation of market development process, unique qualities in their technology and product portfolio, available market opportunities and also the size of their respective home markets all influence the speed of the companies internationalization process. These mentioned qualities and resources will differ based on the point of internationalization the organization is going through at that moment.

### 2.5.3. Resources Available in Different Points of Internationalization

From the article by Novoa (2020) it can be interpreted that different points of start-up growth have different types of funding available for them by linking the available funding's to a start-up growth model. As pre-seed capital, the available options for funding are accelerators, business angels and family, friends and fools. After initial 'pre-seed phase', comes the seed phase, during which the options available are crowdfunding and syndicate investing. Also depending on the level of the funding and value the start-up has generated during certain points of its growth; different types of funding may be available. Furthermore, a notable mention is that to be able to plan a successful strategy for internationalization, the business needs to know the current situation of the company itself as well as that of the target market. Heino (2008) discusses this by stating that it can be done by carefully analysing the company itself and the target market.

## 2.6. Conceptual Framework

Conceptual framework combines existing models of start-up growth into a more unison one that explains available funding options for start-ups in different points of growth. The framework differs external (marked blue) and internal (marked green) resources available in different growth points before initial public offering, IPO.

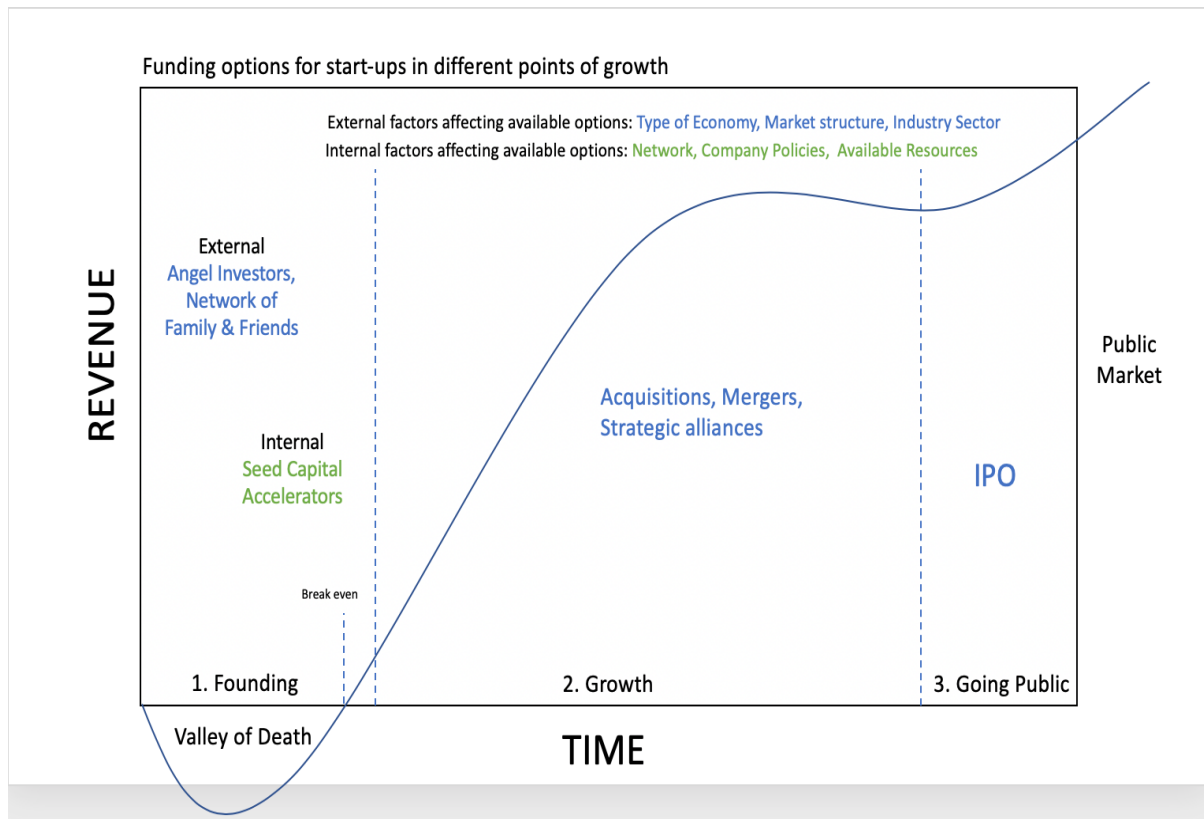


Figure 1 - Conceptual Framework

## 2.7. Conclusion of Literature

In conclusion, the literature available in the topic of start-up internationalization is mostly relatively recently written. Being a “hot topic” in the news during the recent years, start-ups have gained a lot of publicity and coverage, making it easy to find a lot of information on the matter. This is not an indication of trustworthiness however and can sometimes be even the opposite of such. Having access to plethora of information that mostly requires some sort of fact or objectivity checking makes the research on the matter rather slow at points. Another notable point to be made is the fact that many studies on start-ups focus mainly just on tech companies, making it debatable if some of the facts stated are similar regarding other fields of start-ups as well.

### 3. Methodology

This section of the study will introduce the research processes and methods that were used. It will explain how data collected and how was it analysed. The aim of this research was to find data that helps to answer the posed research questions and help as a foundation for possible future research as well. As part of the literature review it was discovered that not that much information was available on the subject of internal qualities of start-ups looking to internationalize nor of the intangible qualities of start-up founders.

Qualitative research, as defined and referred to by Crossman (2020), is a social science that studies non-numerical data and aims to interpret meaning from said information. Since the field of research in question in as part of this study is such a niche and requires information from a specific group of individuals, a qualitative research was more suitable for this topic, the more detailed data, acquired from thorough questionnaire, best suited for this study. Webropol was chosen as a platform because of its convenience and since it suffices greatly for gathering the data and analysing it as well.

#### 3.1. Sample Group Selection

The sample group was selected based on their first-hand knowledge of start-ups since they all are either currently working in start-ups or closely associated with start-ups as part of their work or professional interests. Since the survey needed answers only from people associated with start-ups, spreading the link freely in the public was not an option. Instead, surveyed people belonged into one of two groups: start-up entrepreneurs at TassuPassu & people from the Lappeenranta University of Technology's business accelerator Green Campus Open. TassuPassu is a tech start-up company that recently launched an app that helps children to learn in a new,

fun and innovative way. Green Campus Open is a start-up accelerator that helps new start-ups to form and gives them a boost in their first steps of journey. With the expertise and knowledge of the people who took the survey, five answers sufficed well enough in order to gather enough information for the needs of this study.

### 3.2. Survey Structure

Conducted qualitative research was an online survey. The survey conducted was done using an online tool Webropol. At the beginning the survey had an informed consent page (see appendix 1) in which content of survey was explained as well as the length. Then the questions themselves that are six in total.

The first one (see appendix 2) is used to determine if the person answering the survey is of the desired target group. By answering no to the question if they had been working with start-ups before, the survey would end on their part since no useful information could be gathered from them. Answering yes would move the person into the second question (see appendix 3). This will determine the persons connection to start-ups further by sorting the answerers into five different groups: Start-up founders, working or worked at a start-up, working at an accelerator, business angels and others.

Following this question three (see appendix 4) will ask for the best qualities that are perceived in start-up founders. Out of the eleven options, the answers were limited to a maximum of five in order to determine the most desired ones. The fourth question (see appendix 5) asks people to rank seven statements about start-ups based on how accurate they are. Aim of this question is to ensure people are constant in their answers as well as determine better people's opinions and perspectives on start-ups and start-up founders. The ranking was done on a one to seven scale with one meaning the person completely disagrees and seven meaning they completely agree with the statement.

After this, the fifth question (see appendix 6) is an open ended one that asks people to describe, with their own words, a successful start-up founder as well as a successful start-up company. This also helps to find out if people were not able to express their opinions before as well as collect information relating to start-ups as companies as well. Lastly, the question six (see appendix 7), is another open-ended question that asks the people to freely write or comment anything else they seem to be relevant and wasn't expressed already in the survey.

## 4. Main Findings

Out of the respondents, 100% were suitable for this study. This was determined by the first question of survey, which served as preliminary one, that asked if people have had in the past or are currently working with start-ups or start-up related matters? By answering no, the survey would end for them.

Out of the surveyed people 80% are start-up founders, 60% work in a start-up accelerator and 20% currently work or have worked as part of start-ups. This further strengthens the fact that the people answering this survey are suitable for this study, with multiple of people having a wide perspective of the subject by fitting into multiple of the categories.

To summarize the best qualities of start-up founders (see Figure 2 - Survey Question 3), the survey concluded that all surveyed people believe that the best quality that a start-up founder needs is to have the commitment for what they believe in. The second most upheld quality seen by surveyed is to have a passion for what they [start-up founders] are doing. These both seem pretty self-explanatory since without neither of these qualities, no company (or any endeavour in general) is difficult to be successful. Tied for the third best quality are: passion for what they do, high level of adaptability and great leadership skills. Out of these skills, the first one

mentioned is quite similar to the most perceived skills mentioned before. Second and third ones, however, are more in line with start-up founder mindset and both tangible and intangible qualities of said founders as mentioned in the literature review section of this study. One more point of notice is that in the open answer option of this question, the only answer given was that start-up founders also need to have some amount stubbornness or 'sisu'. This can be tied closely to the top all the qualities mentioned above.

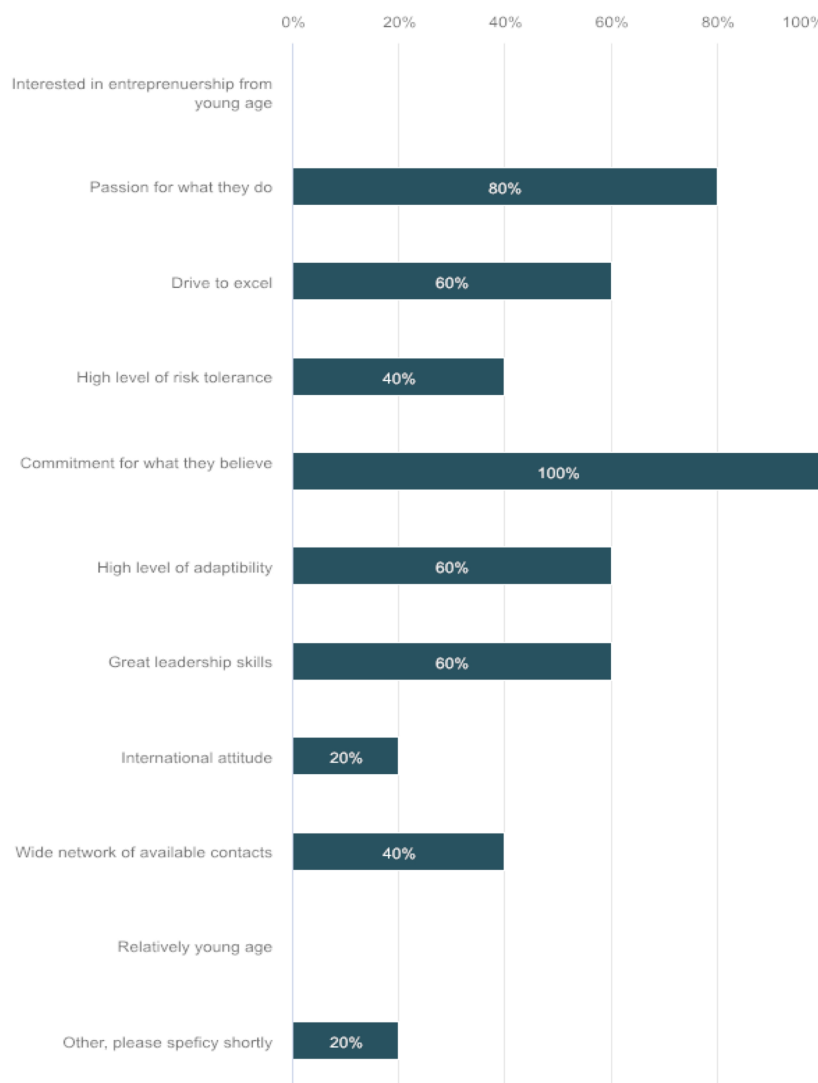


Figure 3 - Survey Question 3



When rating statements regarding start-ups (see Figure 3 - Survey Question 4), out of the seven options given the most interesting ones are the following ones: start-ups are usually aiming to expand into international market, there are enough start-up accelerators and hatcheries in our society, start-up founders represent usually one personality type and start-ups have enough support from the government. Going through these one at a time, starting with the claim that start-ups are usually aiming to expand into international market. All of the surveyed people rated the statement as five or higher, meaning that they highly agree with it. That is interesting since it also seems to point towards certain ambition to expand their company further from its country of origin. The second and the last statements, there are enough start-up accelerators and hatcheries in our society and that start-ups have enough support from the government. These should be inspected together since they seem to point towards a similar direction. The first statement is interesting since 80% of the surveyed don't agree with the statement.

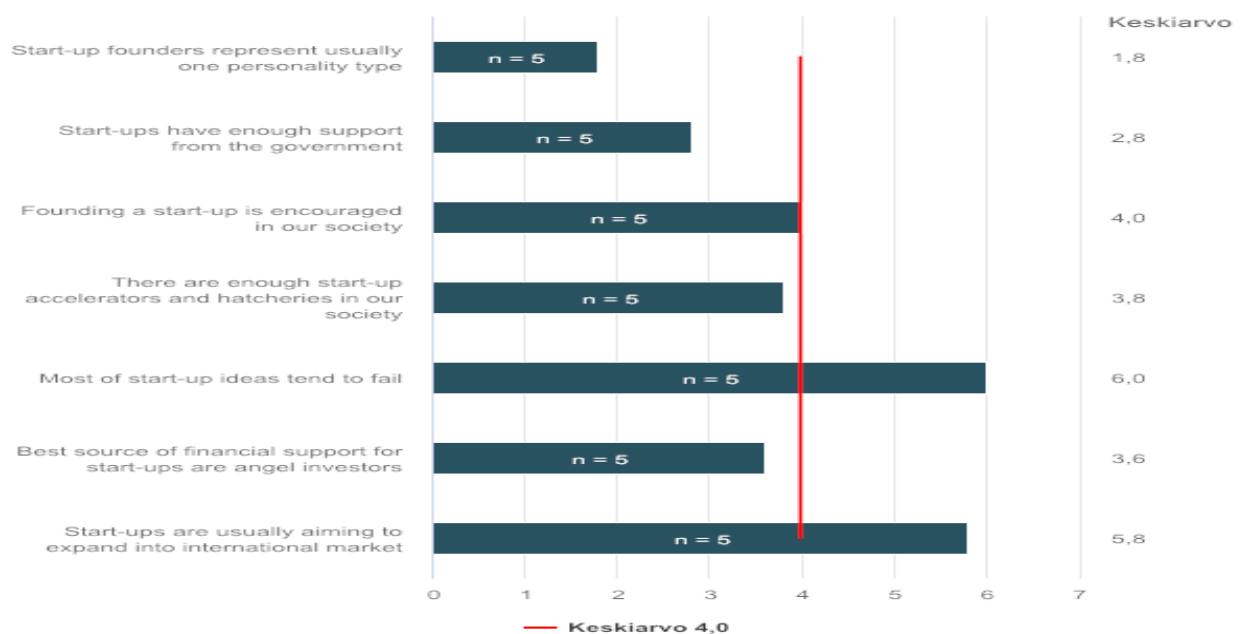


Figure 3 - Survey Question 4

The next statement further defines the previous one and since again 80% people don't agree with it, it can be determined at this point that people associated with start-ups and start-up founders themselves wish more support from external

sources and believe mostly that government doesn't support them enough. Lastly the statement; start-up founders represent usually one personality type. This is peculiarly interesting since 100% of the answers are between one and three, meaning no-one agrees with the statement. Unfortunately, the survey did not include more defining question in this matter so more research on this subject is certainly required in the future.

Next up, fifth question: In your own words, describe a successful start-up founder. Try to focus both on the qualities of the person as well as the needed qualities of the company itself. This was an open-ended question that was meant to further gather information after the previous ones had set the surveyed into the proper mindset regarding star-ups and start-up founders. It is safe to say that the fourth comment "Entrepreneurship in their blood" is not giving too much information into this study. The comment is more generic and doesn't define itself further. What is interesting here is the fact that majority of the surveyed people agree that the successful start-up requires not only a passionate founder but also a team of different expertise or a 'winning team'.

Answers
Capable to build up the winning team and lead it also in growth phase.
It is important that team has different expertise. Founder should have the passion, stand the uncertainty and be also able to pivot.
Company: The product idea needs to be good and sellable both to customers and to investors. The team needs a combination of the following: Have good people skills, a willingness to go the extra mile (at the start you would need to work on top of your other commitments), Need one strong leader who can rally the others and keep up the motivation for the team, good knowledge of how the start-up scene works and how to promote the start-up and a willingness to keep learning, clear division of responsibilities. Thus, the team (of founders) needs at least a strong leader and other members who are responsible for their tasks.
Entrepreneurship in their blood

The reality is, there is no single secret to be a successful start-up founder.

It seems that among those who have started a firm, older start-up founders have a substantially higher success rate. Successful start-up founders are creative thinkers with vision. They may see opportunities before others do and move forward to capitalize on them. In spite of our natural fears, successful start-up founders move forward and take calculated risks.

Start-up founders often start businesses in fields of their expertise or interest. We put our hearts into it, and this passion fuels the enormous energy that is required to run a business. When founders pursue their passions with purpose and intention, chances are good they'll succeed.

*Figure 5 - Survey Question 5*

Lastly, the final question was also an open ended one: Is there something else relevant you wish to share regarding start-ups? Since this question was not a mandatory one, the amount of answers is lessened from the amount compared to the other questions. The most interesting of these answers is the second one, since it defines further a previously asked question regarding start-ups and government support. According to the answer, it would seem that start-ups receive a lot of support from the government in Finland, especially in the Helsinki region. However, with the plethora of information available the desire seems to be to have the information available in a way that is easier to navigate through. The comment doesn't go into further detail into this, so more research could be done in the future in order to gain a better understanding of the matter. Also, two of the comments mention that the start-ups should receive more financial support especially in their early stages. Then again, the comments don't go into further detail regarding this matter so again more research should be conducted in the future.

Answers
Especially deep tech start-ups need financing and support in early stages, here government (Business Finland or TEM?) might have a stronger role and support.
Currently in Finland, while there is a lot of support available, it is a bit difficult for outsiders to navigate through all the different resources regarding registration etc. Some more grants for start-ups would be nice to be able to dedicate the time to the start-up for it to mature. Otherwise, the scene in Helsinki with accelerators and other support is fantastic!
Resilience allows you to experience adversity and overcome it. Being able to bounce back from setbacks is perhaps the most vital skill to be a successful start-up founder.

*Figure 5 - Survey Question 6*

#### 4.1. Conclusion

The information gathered in this study is well in line of that discussed in the literature review. The information answers the posed research questions to an extent, while the main focus of gathered data serves the purpose of answering the second research question: are there some qualities that are required from start-up entrepreneurs to successfully internationalize their companies? While the other two research questions (What are the available resources for start-ups looking to internationalize? & How do the needed resources differ based on the phase of internationalization process?) are by no means left without gathered information the dept of knowledge gathered about them is not as deep as in the one previously mentioned.

It was found that start-up entrepreneurs should be uncompromising in nature and believe in what they are doing. They should be able to continue to operate despite any setbacks, obstacles and problems they may face on their way. According

to the main findings, in order to be successful, start-up entrepreneurs should also assemble a team that includes professionals from different areas. If these areas are covered, the start-up is on a solid footing and is more likely to succeed. They should be able to lead that team as the start-up grows and expands. The thing to keep in mind, however, is that most start-up companies will not succeed beyond their initial steps, which is all the more reason why any help in the early stages of the journey is of great benefit.

#### 4.1.1. Limitations

Since the responded group was controlled by having the survey being open to only those who received the invitation, the possibility for error is neigh to zero. Based on the results, the link did not end up in hands of anyone who was not suitable to answer this survey since not a single answer stated that the person surveyed did not associate themselves with start-ups.

As a minor limitation, the amount of start-up founders and start-up employees available to answer to the survey was not huge. This is due to not having as big of a network of connections available. However, the results gathered are by no means not feasible to use as part of this study due to this, but rather the amount of responses gathered was the only thing diminished as a result of this all.

#### 4.2. Implications for International Business and Start-Up Entrepreneurs

Information gathered and discovered as part of this study can be used as aid in future research on start-ups and start-up founders in the process of internationalizing their companies and trying to gather funds in the process. While the information gathered in this survey is not ground-breaking to say the least, it certainly can be

used as a reference point and base when delving deeper into the subject in question. Furthermore, start-up founders can use the results found in this study to better understand qualities that are best suited for them in order to become more successful and gain even the slightest advantage against others in the start-up field, where most of the businesses tend to fail.

### 4.3. Suggestions for Further Research

As a suggestion for future research to this study, more extensive research could be done on start-ups in order to gain more greater amount of results, therefore making the results more relevant in a bigger scale. Also, by having first-hand experience of start-ups would prove invaluable in order to better understand the mindset of a start-up founder and start-ups overall. Also, another perspective could be taken, and this study could be used as a reference when studying start-up accelerators or hatcheries in order to better understand the process of which they grow and expand into international markets.

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# APPENDICES

## Appendix 1-7, Online survey on Webropol

### Start-up Founder Qualities

#### Informed Consent

I am a student from Aalto University Mikkeli campus studying international business. This survey is a part of my batchelors thesis. In it I aim to better understand the qualities required from start-ups in order to become succesful.

This survey will be done anynomously. Participation in this study is completely voluntary. Please be aware that if you decide to participate, you may stop participating at any time. The information gathered will only be used to conduct research for my thesis.

By clicking "next" you are indicating that you have read the description of the study and that you agree to the terms as described.

This survey will take approximately 10 minutes to fill out.

Thank you in advance for your participation!

*Appendix 1*

### Start-up Founder Qualities

1. Have you in the past or are you currently working with start-ups or start-up related matters? \*

- ☐ Yes  
☐ No

*Appendix 2*

## Start-up Founder Qualities

### 2. What is your connection to start-ups? (Choose all that apply) \*

- ☐ I am a start-up founder
- ☐ I work as part of a start-up accelerator
- ☐ I am a business angel
- ☐ I work/have worked for a start-up
- ☐ Other, please specify shortly

*Appendix 3*

## Start-up Founder Qualities

### 3. Which of the following best summarises the qualities of start-up founders (choose up to 5) \*

- ☐ Interested in entrepreneurship from young age
- ☐ Passion for what they do
- ☐ Drive to excel
- ☐ High level of risk tolerance
- ☐ Commitment for what they believe in
- ☐ High level of adaptability
- ☐ Great leadership skills
- ☐ International attitude
- ☐ Wide network of available contacts
- ☐ Relatively young age
- ☐ Other, please specify shortly

*Appendix 4*

## Start-up Founder Qualities

4. Rate the following statements concerning start-ups (1 completely disagree - 7 completely agree) \*

	1	2	3	4	5	6	7
Start-up founders represent usually one personality type	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Start-ups have enough support from the government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Founding a start-up is encouraged in our society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There are enough start-up accelerators and hatcheries in our society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Most of start-up ideas tend to fail	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Best source of financial support for start-ups are angel investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Start-ups are usually aiming to expand into international market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Appendix 5

## Start-up Founder Qualities

5. In your own words, describe a succesfull start-up founder. Try to focus both on the qualities of the person as well as the needed qualities of the company itself. \*

Appendix 6

## Start-up Founder Qualities

6. Is there something else relevant you wish to share regarding start-ups?

Appendix 7